



Knowledge Management in an Imperfect World

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Who is Vignette Corporation (NASD: VIGN)

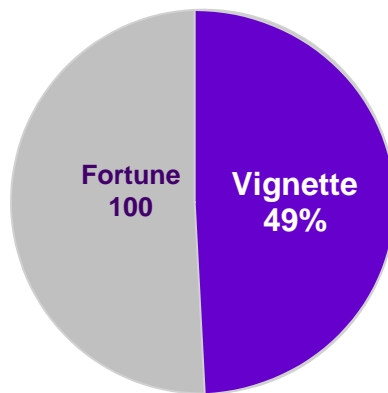
Company (NASDAQ: VIGN)

- Founded in 1995
- Headquartered in Austin, Texas
- Created Web Content Management, delivering *billions* of page views.

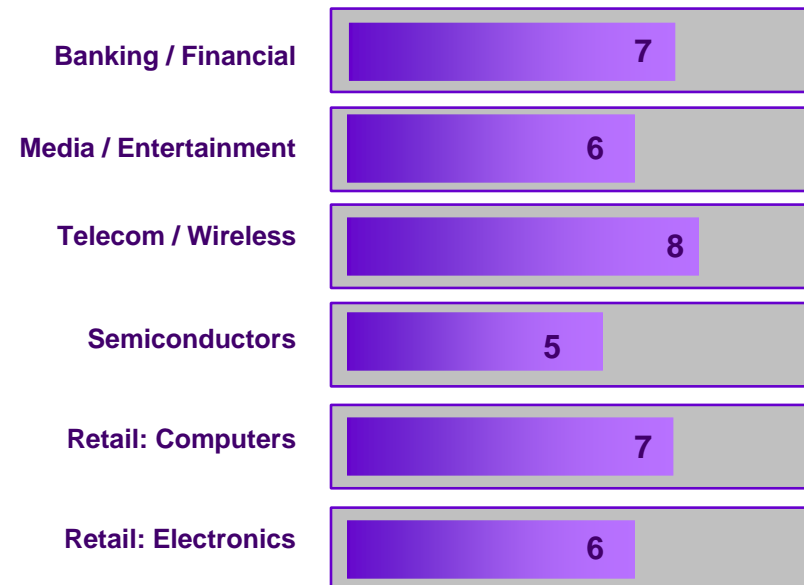
Mission: We help our customers connect with their users.

- Enterprise Content Management suite
- Next Generation Web Platform
- Imaging & Workflow Platform

**Market Penetration
Fortune 100 Companies**



**Market Penetration
Industries' Top-10 Companies**



Trends Shaping Next-Generation Experiences

The rapid growth in the amount and variety of content being produced and consumed

The growing number and diversity of devices on which we interact with this content

The shift in behavior from passive information consumers to active participants

The transfer to the end-user of control over the Web and how it evolves

Some Important Ideas

Knowledge Management

- Knowledge Discovery, Capture, and Reuse
- Expertise Management

Collaboration

- Virtual Communities
- B2B Collaboration across Value Chains

Intellectual Capital

- Corporate Memory
- Organizational Learning

Some Organizational Realities

Rampant workforce turnover

- need for organizational memory and learning

Scarcity of talent

- need to find and leverage experts

Need to productize services

- need to capture and reuse best practices

Drive to Innovate

- need to create transparency of process

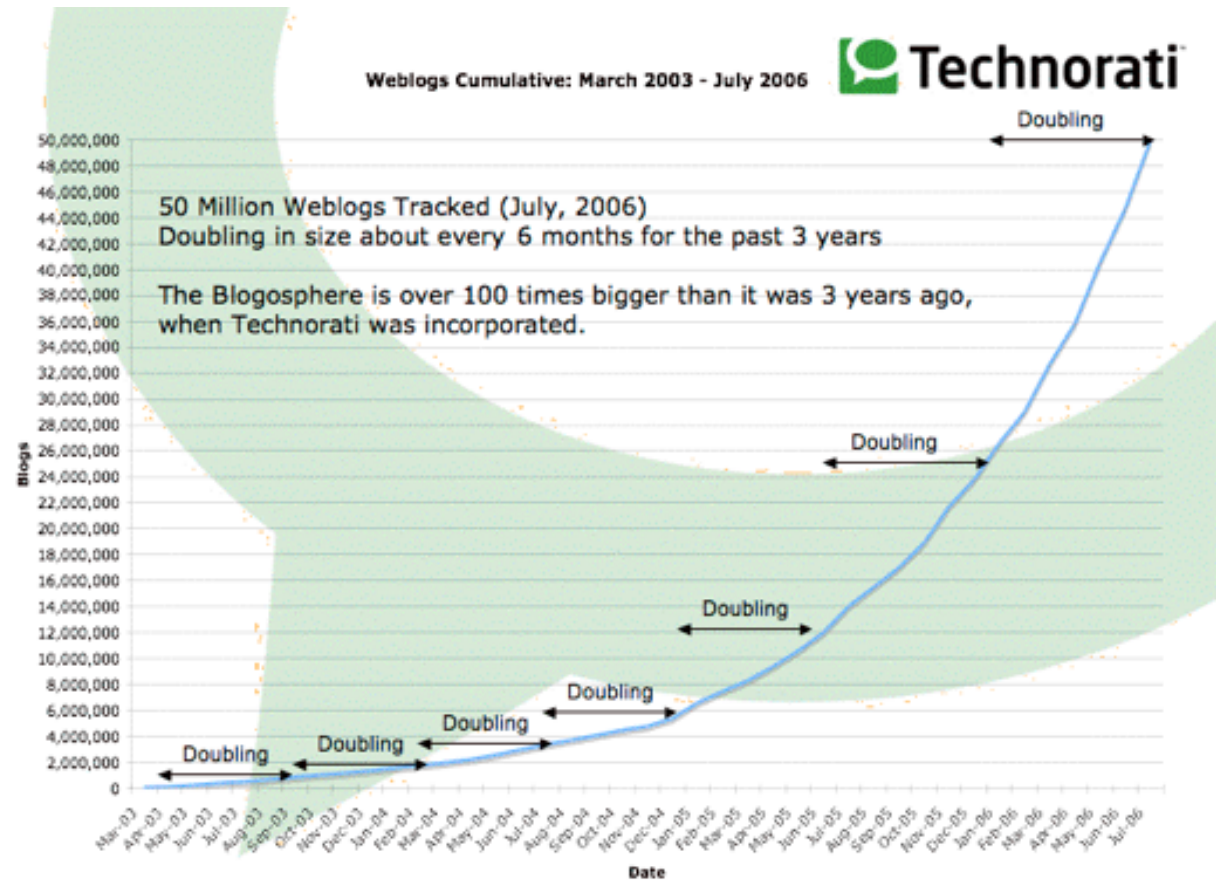
Imperative to work closely with customers and partners

- need for cross-organizational knowledge communities

Behaviors Are Shifting ...

... and passive consumers are now active participants, or are they?

175,000 blogs are created each day; that is about 2 every second, totaling 50 million blogs.

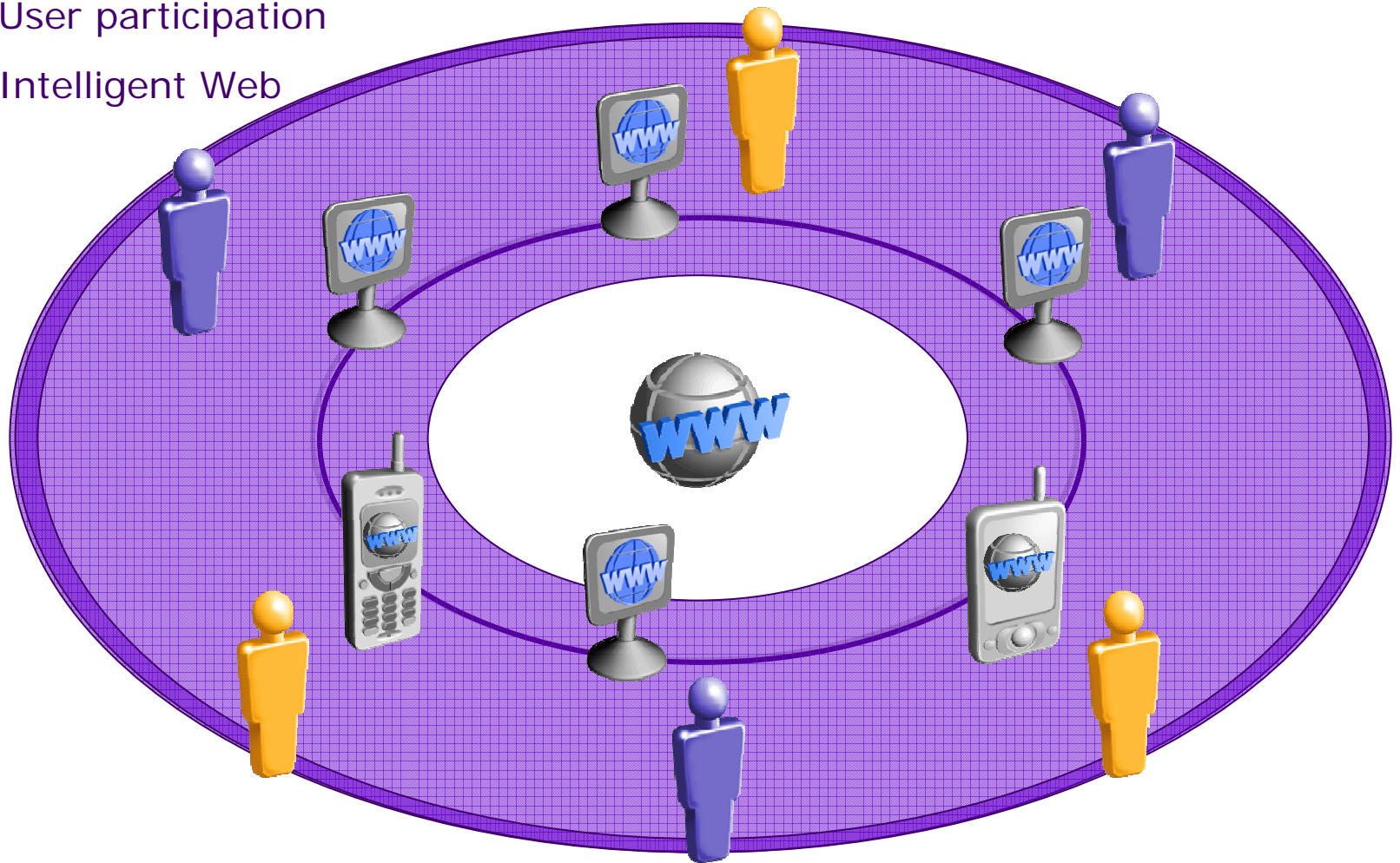


What is the potential impact of Web X.0?

Web 1.0 Information delivery

Web 2.0 User participation

Web 3.0 Intelligent Web



Why Look at the Consumer Space?

Enterprises didn't embrace instant messaging;
Consumers did.

Consumers continue to show us what enterprises
will be facing: podcasts, MySpace, YouTube, etc.

Why?

We are consumers.

We become the persuaders in the enterprise as we
persona-shift into the workplace.

What is the purpose of KM?

It's more than information.

It's more than analysis.

It's about organizational intelligence.

- Organizations being as smart as their constituents.
- Organizations remembering and learning.
- Organizations communicating.

How well do organizations think?

How long does it take for new people to come up to speed?

How long does it take to find the right person for the task?

Does the organization repeat its mistakes?

Is it easier to re-invent than to re-use?

Does knowledge walk out the door when someone leaves?

Are the same questions asked over and over?

The Problem:

Intelligence comes from individuals.

Humans evolved to thrive in small social groups.

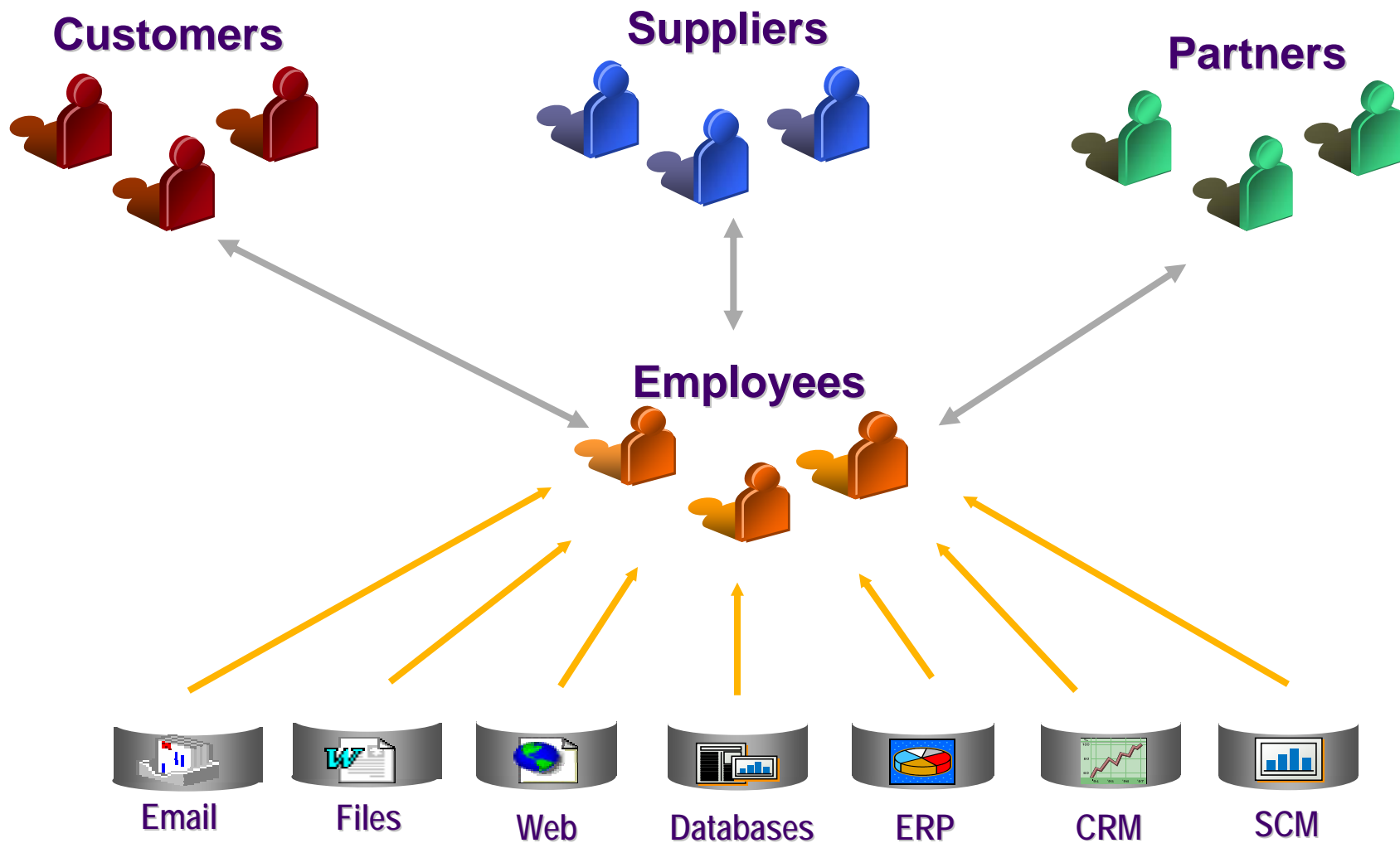
The world has changed.

- Virtual Teams are distributed around the world.
- Ad Hoc Teams are organized for rapid response.
- Large Multidisciplinary Teams solve big problems.
- Groups cut across family (org chart) and clan (company).
- Evolutionary success (value creation) depends more on knowledge and intelligence than access to resources.

Our brains haven't.

- Individual memories do not combine in groups
- Small-group communication doesn't scale.
- Social Coordination of Behavior doesn't scale.
 - Mythical Man Month problem

Today's organizations are virtual communities



Challenges for the virtual organization

Collaborating across time and territory

Collaborating across departmental missions

Collaborating across company borders

Finding and leveraging scarce expertise Learning from previous experience

With business consequences:

- Poor support of large customers and projects
- Difficulty receiving project approvals
- Costly project false-starts

How do we get the knowledge we need?

Training

Research – Gathering and analyzing information

- ***“Up to 80% of Corporate Intelligence lives in unstructured data such as email and desktop files” -- Gartner Group***

Peer Learning

- How to find the people who could help
- How to learn from them without taking their time

Experience – ours and others'

- We pay high salaries for experienced people, but how do we leverage the experience we gain as we work?

What's the role of technology in KM?

What Machines do well

Remember lots of things

Search large bodies of data and information

Deliver messages to large audiences

What they are told to do

What People do well

Create lots of things

Make sense of data and information

Communicate to solve problems

What they are motivated to do

It's a distributed, multi-agent, human-computer system.

What can technology do to help the intelligent organization?

Better sensing systems

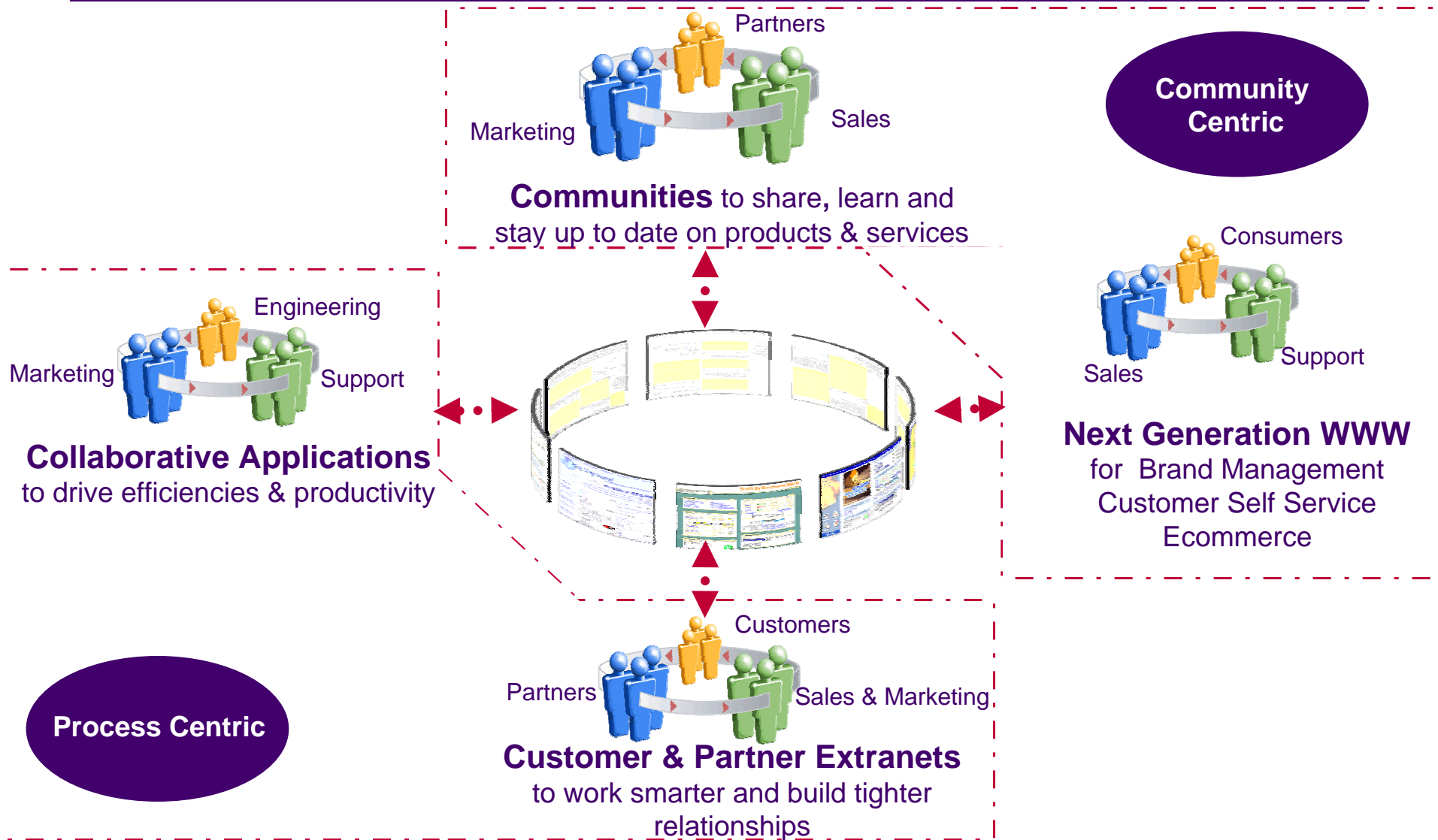
Better internal communication systems

Better external communication systems

Better memory and learning from experience

***Punch line:* The key technology is ... collaboration!**

Collaboration drives the Virtual Organization



Organizational Sensing Technology

Better eyes and ears:

- Agents to gather intelligence
- Analytics to discover opportunities, problems

Better signal propagation

- If one person in an on-line community discovers or creates something, those who care are automatically alerted

Example: Rapid response to competitive threats

- Beating the competition to the printers



The evolutionary advantage of the herd

Internal Communication: Overcoming limitations of scale

Electronic analogs of meeting rooms, hallways, and telephone calls don't scale

- too many voices
- email overload
- you can't talk to everyone

Better: Shared workspaces with persistent, asynchronous communication

Example: The Monetization of Idea Flows

- Managing strategic accounts for institutional investors



The traditional approach

External Communications among Organizations

Relationships among organizations are maintained by personal relationships

- Nobody knows what everyone knows about the client

Better: Work together online

- All ideas, communications, commitments, deliverables, status can be transparent

Example: Strategic Account Collaboration

- Customer extranets in advertising, PR, consulting



Organizational memory that learns from experience

Groupware and file sharing don't scale

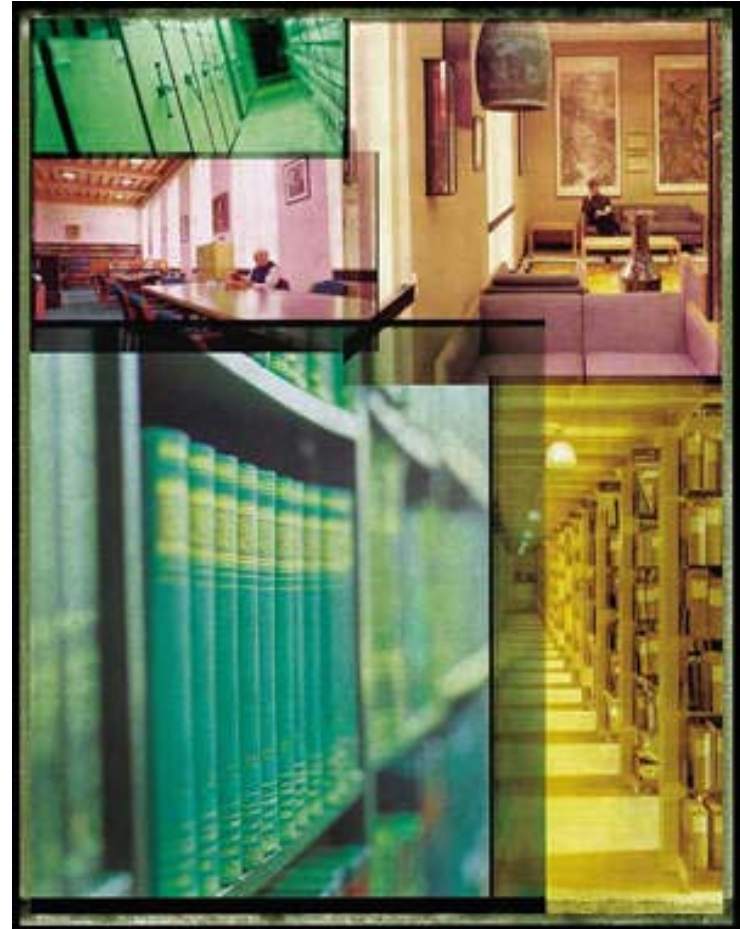
- Can only share within the group or room

Better: Organizational Memory

- Stores all forms of knowledge work in common repository
- Associative retrieval allows learning and discovery
- Memory grows as a by-product of work

Example: Avoiding redundant work and capturing employee expertise

- Enterprise KM in chemicals research firms



Conclusions

Knowledge Management is valuable in the context of organizational intelligence.

Collaboration is the key to making KM happen in the context of the *human* element

Good use of technology can provide

- Better group responsiveness
- Better communication
- Better coordination
- Better memory to be leveraged in the future